

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 298 - SB 692**

February 15, 2017

**SUMMARY OF BILL:** Exempts from gasoline and diesel taxes, methanol sold for use in highway or non-highway vehicles that is not composed of or blended with gasoline, diesel fuel, or other fuels or petroleum products.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- According to the United States Department of Energy, methanol use in vehicles has declined dramatically since the early 1990s, and automakers no longer manufacture methanol vehicles in the U.S.
- There have been no methanol fueling stations in the U.S. since 2000, when three of such stations operated in the country.
- Current state and local tax collections from fuel taxes imposed on methanol sold for use in highway or non-highway vehicles that is not composed of or blended with gasoline, diesel fuel, or other fuels or petroleum products are estimated to be not significant.
- As a result, the proposed exemption will not have a significant impact on current state or local government revenue.
- If the use of such methanol in highway or non-highway vehicles increases in the future, this bill could result in forgone state and local government revenue. However, any such amount of forgone revenue is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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